Translation of: Advice pertaining to the draft budget for 2027

Original title: Advies bij de ontwerpbegroting 2027

In case of differences in interpretation between the English translation and the Dutch version of the text, or in legal proceedings or escalation procedures pursuant to applicable regulations, the original Dutch version shall always be leading.

Dear Ms. Francis,

On August 21, 2026, the Board of financial supervision of Bonaire, Sint Eustatius and Saba (Cft) received Sint Eustatius's draft budget (OB) for 2027, along with the request to issue an advice thereon pursuant to Article 17 paragraph 3 of the Act on Finances of the Public Entities Bonaire, Sint Eustatius and Saba (*Wet financiën openbare lichamen Bonaire, Sint Eustatius en Saba* – FinBES Act). By means of this letter, you receive said advice.[1] In Annex 1 to this letter you will find further clarification and substantiating figures.

Conclusion
In the OB for 2027, Sint Eustatius presents a multiannual balanced budget, and in doing so, for the time being it meets the central budgetary standard set forth in the FinBES Act. The Cft observes that Sint Eustatius is continuing the upward tendency regarding quality and completeness of the budget. The Cft does consider that the explanation of specific income and expense entries requires improvement, in order for it to be able to assess the degree to which these entries are realistic. The Cft observes further growth of the personnel expenses due to additional vacancies whilst filling open vacancies resulted to be a challenge in previous years.

Subsequent steps
The Cft recommends you implement the following steps before submitting the budget to the Island Council:

1. Provide an improved substantiation as regards content and numbers of the estimates of specific income and expenses, and explain observed connection discrepancies. In addition to the mandatory functional structuring, an explanation of the economic categories used is also advisable.
2. Monitor the development of the formation, the vacancies and the personnel expenses through 2027, and report thereon in the implementation reports.

When submitting the adopted budget to the Minister of the Interior and Kingdom Relations, the Cft shall verify to which extent these recommendations have been incorporated.

Explanatory statement
Substantiation of the budget
Despite the fact that the quality and completeness of the budget have further improved, the Cft considers a better quantitative substantiation of a number of specific income entries to be necessary. This applies among others to the estimated interest income, harbor and airport

income, waste levies, tourist tax and income from leasehold and real estate. Further substantiation is needed to assess the feasibility of these estimates.

Furthermore, some function overviews and recapitulations are not fully interconnected, which leads to the total income and expenses not being fully traceable. The Cft deems an explanation of these connection discrepancies to be necessary.

Contrary to the OB 2026, the OB 2027 lacks an explanation of the total overview based on economic categories. To gain a better insight into the financial position, it is advisable to include an explanation of the economic categories in addition to the mandatory functional structuring.

Personnel expenses, formation and vacancies
The presented regular personnel expenses increase from approximately USD 17.3 million in 2026 to USD 19.0 million in 2027, and increase of approximately USD 1.7 million. However, this comparison is not fully accurate. In 2026, the project-related personnel expenses were included under the personnel expenses. In 2027, approximately USD 3.4 million for 52 FTE in project-related personnel is charged to projects that are financed from special benefits. Therefore, these costs are not included in the personnel expenses and the total regular expenses for 2027. In 2027, the formation costs excluding project-related personnel amount to approximately USD 17.0 million. The budget does not sufficiently clarify the structuring of the difference of approximately USD 2.0 million from the regular personnel expenses of USD 19.0 million.

The total formation, including project-related personnel, increases from 267 FTE in 2026 to 297 FTE in 2027, whereas the number of vacancies remains practically the same: 75.5 FTE in 2026 in comparison to 74.5 FTE in 2027. This means that mainly the number of estimated filled vacancies increases.

In the past years, the filling of vacancies did not reach the budgeted levels. In spite thereof, in 2027 again the filling of approximately 75 vacancies is factored in. Whenever the filling of vacancies does not reach the estimated levels, the personnel expenses remain lower than budgeted, and there is a possibility that policy intentions cannot be executed timely. Therefore, the Cft considers it important that Sint Eustatius closely monitors the filling of vacancies and the personnel expenses during the year, and adjusts the budget where needed.

Trusting to have provided you with sufficient information.

Sincerely,
The Chair of the Board of financial supervision of Bonaire, Sint Eustatius and Saba

[signature]
Hans Hoogervorst

A copy of this letter was sent to:
The Head of Finance of the Public Entity Sint Eustatius

Annex 2: Endnotes

[1] The FinBES Act, supplemented by the criteria set out in the Decree on Budget and Justification Public Entities (BBV BES), forms the framework for the assessment of the OB.